(c) whether 14 States have already agreed to sign the agreements and more States are expected to follow suit;

(d) if so, what are the States who have signed the agreement; and

(e) by what time this joint venture projects are likely to start?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) to (e) The development of power projects through joint venture between National Thermal Power Corporation (NTPC) and State Power Utilities has been one of the suggestions for accelerating the power capacity addition programme.

NTPC and Tamil Nadu electricity Board (TNEB) have signed a Memorandum of Understanding (MoU) on 12.7.2002 for establishing a 1000 MW coal based power project at Ennore in Tamil Nadu as Joint Venture, subject to techno commercial feasibility and bank-ability of the project etc. This is the only joint venture that has been conceived till now.

Deadline set for SEBs to settle their dues

837. SHRI ABANI ROY:: Will the Minister of POWER be pleased to state:

(a) whether the Union Government had set a deadline of June 30, 2002 for all the SEBs to clear their dues as reported in The Hindu' dated 21st June, 2002;

(b) if so, the progress of SEBs in clearing dues of Union Government;

(c) whether the Union Government had decided to restrict power supply to States which have not cleared the dues; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) On the basis of the recommendations of the Expert Group under the Chairmanship of Montek Singh Ahluwalia that was endorsed, with minor modifications, by High Level Empowered Group of Chief Ministers under the Chairmanship of Deputy chairman of the Planning Commission, Government of India approved the scheme of one-time settlement of outstanding dues payable by the State Electricity Boards (SEBs) to the Central Public Sector

Undertakings (CPSUs). The scheme was announced on 17-04-2002. On 20-05-2002, modified Tripartite Agreement (TPA) that is to be signed among the State Government, Government of India and the Reserve Bank of India, was circulated. The scheme provides for One Time Settlement of outstanding dues of GPSUs payable by SEBs as on 30-09-2001 by way of issuance of 15 years, 8.5% tax free bonds and opening of Letter of Credit equal to 105% of average monthly billing. The deadline for signing of TPA and opening of Letter of Credit was 30.6.2002.

(b) Twelve State Governments, namely, the Government of Andhra Pradesh, Assam, Chhattisgarh, Goa, Gujarat, Haryana, Jammu and Kashmir, Karnataka, Madhya Pradesh, Punjab, Tamil Nadu and Uttar Pradesh have signed the TPA. Nine other State Government, namely, the State Governments of Bihar, Himachal Pradesh, Kerala, Maharashtra, Nagaland, Orissa, Rajasthan, Uttaranchal and West Bengal have so far, agreed 'in-principle' to sign the TPA. Other State Governments have been advised to sign the TPA and open the Letters of Credit at the earliest. SEBs and Power utilities of States of Uttar Pradesh, Uttaranchal, Punjab, Haryana, Himachal Pradesh, J&K, Chhattisgarh, Maharashtra, Andhra Pradesh, Karnataka, Tamil Nadu, West Bengal, Assam, Goa and Chandigarh have opened the Letters of Credit equal to 105% of average monthly billing.

(c) and (d) The scheme comprises incentives and disincentives for the State Governments to participate in the scheme. If SEBs do not default on their current dues and adhere to the performance milestones, CPSUs are to pay them, bi-annual cash incentives equal to 3 per cent of the value of bonds in the first year, 2.5% in the second year and 2% in the third and fourth year (incentive of 19% for four years). Further, if SEBs open and maintain Letters of Credit (LCs), CPSUs are to pay them a one time cash incentive equal to 2 per cent of the value of bonds. In addition, States undertaking reforms would also be assisted through Accelerated Power, Development and Reform Programme (APDRP) grants and discretionary allocation of Power. The States that withhold their consent beyond 60 days after this scheme enters into force are to be denied any share in the discretionary allocation of 15 per cent from the power stations of CPSUs as well as any assistance under APDRP. If the overdues of such States exceed Rs. 50 crore in respect of any CPSUs, they would also attract reduction in power and coal supplies, as available to the States participating in this schemes.